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UNCLAS MANAMA 001727

SIPDIS

E.O. 12958: N/A

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SUBJECT: AMBASSADOR VISITS BAHRAIN INVESTORS CENTER

1. (U) Summary: On October 13 the Ambassador toured the Bahrain Investors Center (BIC), the Ministry of Commerce's newly launched "one-stop shop" for investors. The BIC is the GOB's first e-Commerce and e-Government initiative. It removes much of the red tape that had stalled Bahrain's efforts to compete with its neighbors for new investment. The BIC, along with other reform initiatives, is part of an effort to promote Bahrain as a hub for firms looking for a regional home base. End Summary.

2. (U) The Bahrain Investment Center (BIC) is part of the Ministry of Commerce's 2003-2006 plan to enhance the country's market competitiveness by attracting local, regional, and international investment to Bahrain. Inaugurated in October 2004, the BIC is a high-tech, customer-friendly and easy to find facility, located in one of Bahrain's largest malls, that offers assistance to both Bahrainis and foreigners. It is part of a larger effort by the GOB to attract firms to use Bahrain as their "Gateway to the Gulf" by setting up regional operations here. According to Commerce officials, the BIC is the first step on the GOB's path towards a comprehensive and effective e-Government system.

3. (U) The BIC is designed as a "one-stop shop" providing all commercial licensing and registration services. It houses representatives from all relevant ministries (over a dozen) and private sector representatives from the telecommunication, legal, banking, and consulting industries under one roof. The U.S.-based consulting firm Ernst and Young has a booth and the BIC will also include a booth dedicated to promoting the U.S.- Bahrain Free Trade Agreement (FTA), which will cater the needs of U.S. investors.

4. (U) Under the previous commercial registration system, registering a new company took an average of two to five weeks. In fact, according to Commerce Undersecretary Abdulla Mansour, the red tape that plagued the previous system significantly delayed 99.9 percent of all commercial applications. Today the BIC can process and issue 80 percent of commercial registration applications within 24 hours and 90 percent of commercial registrations within five working days. The remaining 10 percent, mostly those having to do with health, environment, power and or other essential services, are processed separately according to sector specific regulations. As of November 8, 130 companies with a capital of \$500 million were registered at BIC. Sixty percent of 2004's commercial registrations were registered during the two-month trial period, prior to the Center's official opening ceremony in October.

5. (U) An essential element of the BIC is its website. Online services currently available include details on company activities, shareholders and investment capital. The GOB plans to include an online registration and payment option in the future allowing companies to register in Bahrain without ever having to travel to Manama.
MONROE